



MULTIFAMILY INSIGHTS REPORT

Dallas-Fort Worth

Mar/Apr 2024

DFW Occupancy & Rental Rates

as of March 15, 2024

YOC	Occ Rate	T-12	Absorption
1800-1949	85.1%	-3.8%	-29
1950-1969	85.0%	-5.2%	-586
1970-1979	90.1%	-1.2%	-201
1980-1989	89.0%	-2.6%	-543
1990-1999	92.5%	-0.9%	-272
2000-2019	92.4%	-1.1%	-280
2020-2024	65.8%	-7.7%	1,202
All	89.5%	-2.4%	-1

YOC	Eff Rate	T-12	YoY Δ
1800-1949	\$1,188	0.2%	\$3
1950-1969	\$1,197	2.1%	\$25
1970-1979	\$1,226	0.1%	\$1
1980-1989	\$1,263	-2.4%	(\$31)
1990-1999	\$1,602	-3.3%	(\$54)
2000-2019	\$1,788	-3.3%	(\$61)
2020-2024	\$1,783	-3.3%	(\$61)
All	\$1,499	-3.3%	(\$51)

*vs. 6 months end of September 2023
Source: ALN, 20+ units, excludes Senior and Student

RENT COLLECTIONS

- An important item to note is that 2020-2024 Effective Rent is lower than 2000-2019. We have not seen this before. This is due to the large amount of concessions being offered on properties in lease-up.
- With 96.2% of Dallas renters keeping up with their monthly rent payments, this ranks Dallas just outside the nations top 10 markets for payments, RealPage research shows.
- RealPage analyzed actual rent paid for January at market-rate for apartments on the company's platform in the 50 largest metro areas (data doesn't include prior delinquencies).
- The only other Texas city with a higher rate than Dallas was Austin (96.5%).
- Jay Parsons, RealPage's former chief economist, noted in a post that the findings are agnostic in their geography, with markets known for tenant-friendliness and business-friendliness landing both in the top and bottom markets for rent collections.

UNEMPLOYMENT & WAGES

- DFW, TX Unemployment Rate is at 3.90% (as of January 2024), compared to 3.20% last month and 3.80% last year. This is nearly 30% lower than the long-term average of 5.17%.
- Average weekly wages for all industries by county, third quarter 2023 (U.S.= \$1,334; Area = \$1,423)

County	Avg. Weekly Wages
Dallas, Collin	\$1,400 or more
Tarrant, Somervell	\$1,200-\$1,399
Wise, Denton, Hunt	\$1,100-\$1,199
Parker, Hood, Johnson, Ellis, Kaufman, Rockwall	\$1,099 or less

Source: U.S. BLS, Quarterly Census of Employment and Wages.



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CONSTRUCTION

- The cost to build and renovate in the City of Dallas will rise this year for the city to help its development services department become self-sustaining and realizing fees hadn't been upped in almost a decade. This will likely continue to slow pace of development as the higher cost of construction and interest rates have already impacted the number of permits being issued for new MF projects.
- A study by MGT Consultants found the department was severely undercharging compared to similar cities in the region and across the state.
- Another study showed the development services department could only cover 55% of its overall costs (\$50 million), with the city covering the rest.
- These fees may also lead to residents taking on the difference incurred by the fees (i.e. higher rents, increased home cost).
- The Dallas City Council will vote on when new development fees tied to permitting, engineering, inspections, and other items will take effect (as soon as May 1).
- On certain projects, one fee will increase more than 2,400% while many other fees are set to double or triple. Keep in mind some of these services were traditionally done for free.
- An example showed the permitting, plan review, and inspection services fees for a 150-unit multifamily project under the new pricing model would cost \$75,900 more than what the city currently charges.

JOB GROWTH

- In February, 49,800 jobs were added by Texas employers indicating the largest monthly gain since last fall.
- According to the Texas Workforce Commission, job growth was driven by the state's service-producing sector, with business services and private education and health services attributing 20,000 jobs.
- The construction industry added 7,800 jobs in February while growing by 4% over the year (outpacing the national growth rate by 1.3 percentage points)

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